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August 17, 2022

By ECF and Electronic Mail
Honorable Christine M. Gravelle
United States Bankruptcy Judge
United States Bankruptcy Court
Clarkson S. Fisher Courthouse
402 East State Street
Trenton, New Jersey 08608

> **Re: Assuncao Brothers, Inc.**
> **Case no.: 22-16159 CMG**
> **Debtor's Motion to sell assets; Debtor's request for use of cash**
> **collateral and post-petition financing**
> **Hearing date: August 22, 2022 at 10:00 a.m.**
> **Our file no.: 24595.009**

Dear Judge Gravelle:

I am the Subchapter V Trustee in the above referenced matter. Please accept this letter in response to the Debtor's sale motion, and its request for authorization to use cash collateral and post-petition financing.

I have the same concerns with respect to the sale, cash collateral and post-petition financing that are addressed in the objection filed by the Office of the United States Trustee, and same shall be deemed incorporated herein. It seems that the sale is beneficial to certain constituents at the expense of others. Based upon the analysis of the assets to be transferred and the consideration to be received, it appears as though Vollers Excavating and Construction, Inc. is getting a fantastic deal. In addition, it appears that the sale benefits the Debtor's employees who will potentially retain their jobs, and the Debtor's union, whose claim is proposed to be satisfied in full. However, the Small Business Administration ("SBA"), may or may not receive any proceeds on account of its secured claim, and it appears as to the general unsecured creditors, that they will receive no distribution, as assets available to pay general unsecured claims, such as unencumbered vehicles and/or vehicles with equity is being used to benefit other parties. Without an analysis of how unsecured creditors would fare in a liquidation, versus what they would receive pursuant

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to the sale to Vollers, it is impossible to determine if the sale, authorization for use of cash collateral and post-petition financing is in the best interest of the creditors and the bankruptcy estate. Without guaranteed money to the SBA and general unsecured creditors, it is questionable whether the sale is fair and equitable to all parties. I have discussed these issues with Debtor's counsel and to date they have not been addressed.

The Court should note that I have reviewed the loan documents and account detail supplied by Manasquan Bank, and its secured claim appears to be well founded.

I thank the Court for its consideration of the foregoing. Should the Court have any questions, please have a member of your Honor's staff contact me.

Respectfully submitted,

GENOVA BURNS LLC

/s/   SCOTT S. REVER
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